



## **The Home Depot Provides Update on Strategic Objectives; Reaffirms Fiscal 2023 Guidance; Establishes Market Stability Outlook**

**ATLANTA, June 13, 2023** -- The Home Depot®, the world's largest home improvement retailer, will discuss key strategic priorities, as well as provide a market stability base case, today at its 2023 Investor and Analyst Conference.

Today's conference will begin at 9 a.m. ET and will be available in its entirety through a live webcast and replay at [ir.homedepot.com/events-and-presentations](https://ir.homedepot.com/events-and-presentations).

During today's conference, the company will discuss its strategic priorities to deliver the best customer experience in home improvement, develop differentiated capabilities and extend its low-cost provider position.

"While a lot has changed in the environment and our business since our last Investor and Analyst Conference, our objectives to grow market share and deliver exceptional shareholder value remain unchanged, and our culture and values remain our guideposts," said Ted Decker, chair, president, and CEO. "Investments we've made over the last several years have further strengthened our distinct competitive advantages and enabled agility in our operating model."

"We operate in a large and highly fragmented market with unique characteristics that make it one of the most attractive sectors in retail, if not the economy as a whole. While we are the number one home improvement retailer in the world, we have a relatively small share of the market today, and there are significant opportunities in front of us," said Decker.

### **Fiscal Year 2023 Outlook**

The company reaffirmed its guidance for fiscal 2023:

- Sales and comparable sales to decline between 2% and 5% compared to fiscal 2022
- Operating margin rate to be between 14.3% and 14.0%
- Tax rate of approximately 24.5%
- Interest expense of approximately \$1.8 billion
- Diluted earnings-per-share-percent-decline between 7% and 13% compared to fiscal 2022

### **Market Stability Base Case**

Today the company provided a Market Stability Base Case outlook:

- The overall home improvement market to grow by low-single digits

- Sales growth between 3% and 4% per year
- Maintain flat gross margin rate
- Operating margin expansion driven by a combination of sales leverage and productivity
- Mid-to-high-single-digit diluted earnings-per-share growth

“Once the home improvement market returns to stability, we expect to see sales growth consistent with how our business has performed in the past,” said Richard McPhail, executive vice president and chief financial officer. “While the base case assumes share capture, we are not ruling out a case for even higher growth. In our Accelerated Growth Case, we would expect sales and earnings per share to grow faster than the Market Stability Base Case.”

At the end of the first quarter of fiscal 2023, the company operated a total of 2,324 retail stores in all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, 10 Canadian provinces and Mexico. The Company employs approximately 475,000 associates. The Home Depot's stock is traded on the New York Stock Exchange (NYSE: HD) and is included in the Dow Jones industrial average and Standard & Poor's 500 index.

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*Certain statements contained herein constitute "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements may relate to, among other things, the demand for our products and services; net sales growth; comparable sales; the effects of competition; our brand and reputation; implementation of store, interconnected retail, supply chain and technology initiatives; inventory and in-stock positions; the state of the economy; the state of the housing and home improvement markets; the state of the credit markets, including mortgages, home equity loans, and consumer credit; the impact of tariffs; issues related to the payment methods we accept; demand for credit offerings; management of relationships with our associates, potential associates, suppliers and service providers; cost and availability of labor; costs of fuel and other energy sources; international trade disputes, natural disasters, climate change, public health issues, cybersecurity events, military conflicts or acts of war, supply chain disruptions, and other business interruptions that could compromise data privacy or disrupt operation of our stores, distribution centers and other facilities, our ability to operate or access communications, financial or banking systems, or supply or delivery of, or demand for, our products or services; our ability to address expectations regarding environmental, social and governance (ESG) matters and meet ESG goals; continuation or suspension of share repurchases; net earnings performance; earnings per share; future dividends; capital allocation and expenditures; liquidity; return on invested capital; expense leverage; changes in interest rates; changes in foreign currency exchange rates; commodity or other price inflation and deflation; our ability to issue debt on terms and at rates acceptable to us; the impact and expected outcome of investigations, inquiries, claims, and litigation, including compliance with related settlements; the challenges of international operations; the adequacy of insurance coverage; the effect of accounting charges; the effect of adopting certain accounting standards; the impact of legal and regulatory changes, including changes to tax laws and regulations; store openings and closures; guidance for fiscal 2023 and beyond; financial outlook; and the impact of acquired companies on our organization and the ability to recognize the anticipated benefits of any acquisitions. Forward-looking statements are based on currently available information and our current assumptions, expectations and projections about future events. You should not rely on our forward-looking statements. These statements are not guarantees of future performance and are subject to future events, risks and uncertainties – many of which are beyond our control, dependent on the actions of third parties, or currently unknown to us – as well as potentially inaccurate assumptions that could cause actual results to differ materially from our historical experience and our expectations and projections. These risks and uncertainties include, but are not limited to, those described in Part I, Item 1A, "Risk Factors," and elsewhere in our Annual Report on Form 10-K for our fiscal year ended January 29, 2023 and also as may be described from time to time in future reports we file with the Securities and Exchange Commission. There also may be other factors that we cannot anticipate or that are not described herein, generally because we do not currently perceive them to be material. Such factors could cause results to differ materially from our expectations.*

*Forward-looking statements speak only as of the date they are made, and we do not undertake to update these statements other than as required by law. You are advised, however, to review any further disclosures we make on related subjects in our filings with the Securities and Exchange Commission and in our other public statements.*

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